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DEC 1, 2006

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$14.98 /CWT
\$1.40 /LB

EFFECTIVE JANUARY 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

\$14.98

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 14.0 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.40.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$15.90 /CWT

Average spray process dry milk solids

price per pound = \$1.51000
Multiplied by 8.2 x 8.2

\$12.38200

\$12.38200

Last quote of the month for Grade AA butter
minus a differential of \$.0895 =

\$1.19050

Multiplied by 4.2 x 4.2

\$5.00010

+ \$5.00010

\$17.38210

LESS a make allowance of 8.5% (\$17.3821 X .085)

- \$1.47748

\$15.90462

Rounded to the nearest whole cent = \$15.90 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$1.32 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$1.19050 X .111) = \$0.13215
 Rounded to the nearest half cent = \$0.132

Butterfat value per pound
 for milk at 3.5% test: \$1.32

Hundredweight price of milk testing 3.5% = \$15.90
 LESS 3.5 pounds of butterfat at \$1.32 per pound - \$4.620
 Value of 96.5 pounds of skim = \$11.280

CLASS II VALUE OF
ONE POUND OF SKIM 11.280 / 96.5 pounds) = \$0.11689 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$13.66 /CWT**

3.5 pounds of butterfat x \$1.07 per pound = \$3.745
 96.5 pounds of skim x \$0.10277 per pound = \$9.917
 \$13.662 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.07 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$1.19050
 LESS 10% - \$0.11905
 \$1.07145

Rounded to the nearest whole cent = \$1.07 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$10.27706 /CWT**

Avg. spray process dry milk solid price/lb = \$1.51000
 Multiplied by 8.2 x 8.2
 \$12.38200
 LESS 17% - \$2.10494
 \$10.27706

Rounded to the nearest whole cent = \$10.28 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAUCompiled by: *Monte Nick*

Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.98 FOR 3.5% MILK 96.5 LBS = \$10.080			CLASS II SKIM PRICE BASED ON \$15.90 FOR 3.5% MILK 96.5 LBS = \$11.280			CLASS III SKIM PRICE BASED ON \$13.66 FOR 3.5% MILK 96.5 LBS = \$9.917		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jul-96	\$ 15.42	\$ 11.48	Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00
Aug-96	\$ 16.52	\$ 13.19	Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40
Sep-96	\$ 16.14	\$ 13.37	Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67
Oct-96	\$ 16.33	\$ 12.47	Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08
Nov-96	\$ 17.19	\$ 10.54	May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38
Dec-96	\$ 15.41	\$ 8.09	Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22
Jan-97	\$ 13.25	\$ 11.85	Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59
Feb-97	\$ 13.01	\$ 9.83	Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64
Mar-97	\$ 13.35	\$ 9.95	Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48
Apr-97	\$ 13.84	\$ 9.88	Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94
May-97	\$ 13.79	\$ 8.11	Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95
Jun-97	\$ 12.37	\$ 8.09	Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97
Jul-97	\$ 12.34	\$ 8.14	Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58
Aug-97	\$ 12.41	\$ 9.59	Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19
Sep-97	\$ 12.80	\$ 10.38	Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29
Oct-97	\$ 13.76	\$ 10.50	Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17
Nov-97	\$ 14.05	\$ 11.22	May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49
Dec-97	\$ 14.22	\$ 10.43	Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81
Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30
Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33
Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66
Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77
Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84	Nov-05	\$ 14.97	\$ 13.21
Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79	Dec-05	\$ 14.96	\$ 12.29
Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46	Jan-06	\$ 14.15	\$ 12.46
Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15	Feb-06	\$ 14.08	\$ 12.58
Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36	Mar-06	\$ 14.05	\$ 12.55
Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11	Apr-06	\$ 12.71	\$ 11.21
May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66	May-06	\$ 12.44	\$ 10.94
Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61	Jun-06	\$ 11.98	\$ 10.48
Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61	Jul-06	\$ 11.44	\$ 9.94
Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52	Aug-06	\$ 12.24	\$ 10.74
Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65	Sep-06	\$ 12.44	\$ 10.94
Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06	Oct-06	\$ 12.57	\$ 11.07
Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80	Nov-06		
Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49	Dec-06		

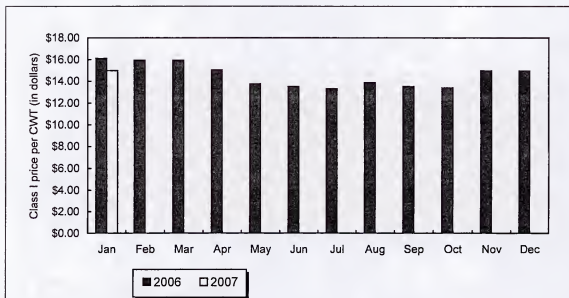
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$0.00	\$0.00	0.00%
March	\$15.93	\$0.00	\$0.00	0.00%
April	\$15.04	\$0.00	\$0.00	0.00%
May	\$13.77	\$0.00	\$0.00	0.00%
June	\$13.52	\$0.00	\$0.00	0.00%
July	\$13.30	\$0.00	\$0.00	0.00%
August	\$13.89	\$0.00	\$0.00	0.00%
September	\$13.52	\$0.00	\$0.00	0.00%
October	\$13.40	\$0.00	\$0.00	0.00%
November	\$14.97	\$0.00	\$0.00	0.00%
December	<u>\$14.95</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>0.00%</u>
Average	\$14.53	\$14.98	(\$1.14)	-7.07%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:****OCTOBER 2006: class I = \$8.48; class II = \$0.80; Class III = \$3.36; total = \$12.63**

(calculations based upon utilization percentages of butterfat & skim)